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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

March 29, 2002

The Honorable Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: IB Docket No. 99-81 (2 GHz MMS Service Rules)

Dear Chairman Powell:

Rural Americans throughout the country, including many Alaskans, are still awaiting the introduction of broadband services. The Commission, recognizing this problem, has allocated spectrum in the 2 GHz band for Mobile Satellite Service ("MSS") and is currently working toward issuing licenses to the first set of applicants. The successful operation of MSS systems will bring to unserved and underserved areas the same advanced communications capabilities that urban users take for granted. Further, it will enhance the capabilities of public safety and military users to respond in the event of natural disasters and other crises.

It has come to my attention that at least one party has requested the Commission to authorize an ancillary terrestrial use as a complement of the MSS service. This proposal would not require allocation of additional spectrum or sharing among different licenses. Rather it would enable each 2 GHz MSS operator to make the most efficient use possible of the valuable spectrum resources assigned to it -- a concept the Commission has endorsed. Further, it would enhance the ability to serve customers by improving the economics of the service. The proposal specifies that terrestrial service would only be allowed AFTER commercial operation of the satellite service in a manner consistent with prior Commission decisions on combined use system. This requirement assures that this proposal cannot be used to circumvent the process for assigning terrestrial spectrum and will not undercut terrestrial services.

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Permitting the requested ancillary terrestrial component will enable the MSS industry to achieve its vital mission of providing ubiquitous global connectivity. MSS systems have the unique ability to accomplish a host of public policy goals. Millions of Americans who live in rural areas currently have no mobile voice or data service. Millions more have only analog services. The development of advanced wireline infrastructure (such as cable modem and DSL equipment) in rural areas is even more limited than the development of digital wireless infrastructure. For many Americans, an MSS network will be their best, if not their ONLY, choice for fast digital connections.

In addition, military, maritime, recreational, and public safety users will benefit from MSS coverage of rural areas. In the case of a natural disaster or other crisis, MSS may provide the only link for military and public safety personnel, while recreational users in remote areas can gain an important measure of personal security from an MSS system. Imagine a snowmobiler who falls through an icy river being able to call for help or a Eskimo hunter lost in a blizzard being able to call in a search party. But without the ability to maximize their spectrum efficiency through an ancillary terrestrial component, 2 GHz MSS operators will not be able to attract the billions of dollars in financial capital necessary to build and launch their systems.

Because of the huge investment involved, further delay may be tantamount to denial. The 2 GHz MSS applicants cannot begin to raise the enormous capital required to design, build, and deploy their systems when they do not yet have licenses and key aspects of the service rules remain under reconsideration. If the GHz MSS service is to succeed, the Commission must decide the issue as quickly as possible. I urge you to move as quickly as possible to decide this request for an ancillary component to 2 Ghz MSS systems and in licensing such systems. For the first time, state of the art service in rural areas would precede the complementary service in urban areas.

With best wishes,

Cordially,

A handwritten signature in black ink, appearing to read 'Ted Stevens', is written over the printed name.

TED STEVENS
Chairman

Committee on Appropriations



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON

May 9, 2001

IB DK+ 01-185

The Honorable Ted Stevens
Chairman
Committee on Appropriations
United States Senate
S-128 The Capitol
Washington, D.C. 20510

Dear Chairman Stevens:

Thank you for your letter concerning a proposal recently made to the Commission to authorize terrestrial use of Mobile Satellite Service ("MSS") spectrum in the 2 GHz band. I am committed to policies promoting the provision of broadband communications services to rural, unserved and underserved areas of the country. The Commission recognizes the potential of MSS systems to achieve this goal.

In March 2001, the Commission received two proposals from MSS operators to reuse assigned MSS frequencies with terrestrial base stations to provide a terrestrial component to their networks. The proposals present a number of options for implementation under existing spectrum allocations and service rules. The proposals also challenge the Commission to be innovative reconciling different regulatory regimes for satellite and wireless services. The Commission's staff soon will provide recommendations on how to proceed in considering these proposals. We have placed your letter in the public record of this proceeding.

Thank you for sharing your views on this matter. I would welcome the opportunity to discuss this with you further.

Sincerely,

Michael K. Powell
Chairman